

The Cruise Lines International
Association Agreement

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First Revised
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(3). Notwithstanding the provisions of Article 7(C)(2) on expulsion upon membership vote, a Member Company shall be expelled automatically in the event that membership dues are not paid in a timely manner, as set forth in the Members Fee Schedule.

(4). Any Member Company may withdraw from the Association by notifying the Association of its intent to do so in writing. Withdrawal shall be deemed effective thirty (30) days from receipt by the Association of such notice of withdrawal.

D. Effect of Withdrawal or Expulsion. A Member Company withdrawing or being expelled shall not be entitled to the refund or cancellation of any part of (1) the operation and maintenance expenses payment obligation which has been apportioned and agreed to by such Member Company prior to notice of withdrawal or expulsion; or (2) its share of additional funding which has been assessed, regardless of whether the additional funding has been spent.

E. Readmission. Any Member Company which voluntarily withdraws may qualify for readmission under this Article, and, if its readmission occurs during the calendar year of its voluntary withdrawal, a second annual assessment shall not apply. An expelled Member Company may qualify for readmission by correction or elimination, as appropriate, of whatever cause or condition resulted in expulsion, and/or by payment of any liquidated damages that may have been assessed, and by reapplication in accordance with this Article 7.

ARTICLE 8 - VOTING AND AMENDMENTS

A. The various voting requirements are set out in Appendix B.

B. This Agreement may be amended by agreement of at least fifty-one percent (51%) of the total number of Member Companies. No such amendment shall become effective unless and until becoming effective and/or approved by the Federal Maritime Commission under the Shipping Act, 1984, and the Shipping Act, 1916.



APPENDIX A

TERMS AND PROVISIONS REGARDING
AFFILIATION OF INDEPENDENT TRAVEL AGENTS

1. DEFINITION. For purposes of this Agreement, an Independent Travel Agent (hereinafter "Agent" or "Agency") is defined as any person, entity or department of an entity that is engaged in the business of selling travel or travel related services.
2. AGENCY FEES. An application fee of U.S. \$85.00 and an Annual Agency Fee of U.S. \$150.00, the levels of which may be changed from time to time by the Association, shall be collected for each location at the time of application. Agencies notified of listing during the first nine (9) months of any fiscal year shall pay the full annual fee; agencies notified during the last three (3) months of any fiscal year shall pay the full annual fee which shall be credited for the full ensuing fiscal year. Agency Fees (non-refundable) shall be collected for each location on or before the commencement of each fiscal year and the Association shall thereafter promptly give notice to any Agency from whom it has not received an Annual Agency Fee. Such notice shall include a final notice for payment, and failure to remit within the time specified will subject the Agency concerned to automatic termination without further notice. Reinstatement can be effected, as of the date of postmark of the delinquent payment, by mailing to the Association the amount of such payment, plus a sum equal to one-half the Annual Agency Fee; said sum being acknowledged by the Association and by the involved Agency as constituting liquidating damages for such delinquency to be applied because the amount of actual damages would be difficult if not impossible to ascertain.
3. CONSIDERATION OF APPLICATION. An applicant for listing shall submit a completed application, in a form prescribed by the Association, and tender payment of the application fee and the Annual Agency Fee. When an applicant has complied with the conditions set forth herein, its name shall be placed on the Master List of Independent Travel Agents and it shall be promptly notified of that action. In the event an application is denied, notice shall be given containing the reasons for such denial.

STATEMENT OF POLICY AND PROCEDURE

(To be maintained at the principal office
of CLIA and at the offices of Member Cruise Lines;
available to Applicants and to Listed Agents upon request)

A. AGENCY FEES.

An Annual Agency Fee of U.S. \$150.00, the levels of which may be changed from time to time by the Association, shall be collected for each location on or before the commencement of each fiscal year. When the Association is notified of a change in the form of ownership or in control, or the ability to control management of the Agency, a new Annual Agency Fee will be collected from the new owners for each Agency location affected.

B. THE RIGHTS OF AFFILIATED AGENTS.

1. INVOLUNTARY TERMINATION OF AFFILIATION: NOTICE AND OPPORTUNITY TO BE HEARD. Should the Association determine that an event has occurred which gives rise to grounds for an involuntary termination of affiliation, the Agency shall be notified of such grounds and shall be granted a reasonable opportunity to dispute the grounds for involuntary termination. Should the Association thereafter determine that involuntary termination is warranted, the Member Companies and the Agent shall simultaneously be notified that affiliation has been terminated, stating the reasons therefor. Notice shall be given by certified mail, return receipt requested.

2. EFFECT OF INVOLUNTARY TERMINATION OF AFFILIATION. The involuntary termination of an Agent's affiliation for any of the causes listed in Condition (e) to Conditions for Agency Affiliation shall be deemed sufficient cause for cancellation and removal of the Agent's name from the Master List of Independent Travel Agents.

3. OPPORTUNITY FOR REVIEW. The Agent will be given the opportunity for review of the grounds giving rise to involuntary termination of affiliation. The Agent must exercise such right within fifteen (15) days from the date of the Association's certified mail notice.

APPENDIX B

ORGANIZATION AND FUNDING

1. ORGANIZATION.

A. Managing Committee. The governing body of the Association shall be the Managing Committee which shall consist of a designated representative of each Member Company who shall be empowered to act and make binding decisions on behalf of his company.

B. Officers. A Chairman, a Vice-Chairman, three At-Large Committee Members, and such other officers as may be required shall be elected from among the Member Companies by the Managing Committee and each shall serve a term of office of 24 months and may be re-elected for one continuing term, except for the Chairman, whose term of office, as Chairman, and the Vice-Chairman, whose term as Vice-Chairman, will be limited to one two-year period. The terms of office of Chairman and Vice-Chairman shall commence on July 1 of even numbered years. In the event a Chairman resigns, the Vice-Chairman will replace the outgoing Chairman, for the following term of office: the remainder of the Chairman's term plus two years, if the remainder of the term is less than 18 months; or, the remainder of the Chairman's term, if the remaining term is greater than 18 months. The terms of office of At-Large Committee Members will commence on July 1 of odd years. Only officially designated Member Line representatives are eligible for the offices of Chairman, Vice-Chairman, and At-Large Committee Member. An out-going Chairman is not eligible for the offices of Vice-Chairman or At-Large Committee Member for a two-year period. The President of the Association shall be employed pursuant to contract terms.

C. Committees.

(1). Executive Committee. There shall be an Executive Committee comprised of the Chairman, the Vice-Chairman, the three At-Large Committee Members, the Marketing Committee's Chairman, none of whom may be employees or officers of the same Member Company or related Member Companies (defined as having 25% or more common ownership), and the President of the Association. If, for whatever reason, more than one Executive Committee position is held by representatives of the same Member Company or related Member Companies, all but one position must be resigned immediately. Vacancy(ies) in the Executive Committee positions will be filled in accordance with the procedures applicable to resignation of the committee member as stated in paragraphs 1(B) and 1(C)(2) of this Appendix B, or, where no procedure is stated, at the next Managing Committee meeting based on Nominating Committee recommendations. The Executive Committee will oversee the Association's operating activities between meetings and will maintain the financial integrity of the

The three formula factors referred to above are interpreted as follows:

- (a) Total Number of Lower Beds - This figure should represent the total number of lower beds indicated in the current brochure of the Member Company or Applicant. It should not be determined by the number of beds that are expected to be sold during the calendar year. Expressions such as "Queen," "King" or "Oversize" beds are regarded as two (2) lowers and the word "Sofa" is regarded as one (1) lower. Any individual cabin has a maximum of two lower berths for CLIA apportionment purposes. The only exception would be in instances of cabin reconfigurations which have not been reflected in the Line's latest brochure.
- (b) Operating Days - This figure should represent the total number of days in a calendar year during which the ship will be earning revenue via passenger occupancy, including occupancy via charter. In most instances, the figure should be 365 less drydock days and dead-head days or turnaround days which exceed 24 hours and during which no passengers are embarked.
- (c) Expected Percent of Sales - This figure should represent the best estimate of the Member Company of where its sales for the calendar year will be made, i.e., the percent expected from North America (minimum 20% for all Member Lines joining CLIA after July 1, 1991) versus the percent expected from elsewhere. For purposes of this clarification, North America includes Canada, the fifty United States, Mexico, the countries of Central America and the island countries or United States possessions or territories in the Caribbean.

The annual Member Line Apportionment obligation for an applicant must be tendered in advance of acceptance to membership, and will be returned in the event that the applicant is not accepted as a Member Company.

CLIA's maximum Apportionment budget for the ensuing year will be voted on at the June Managing Committee meeting. A commitment letter notifying each Member Line of its estimated share of the Apportionment budget will be sent by August 15. Member Lines are required to sign and return the commitment letter to CLIA by September 1. The signed commitment letter represents a

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binding obligation for payment, fixed as of the date of signature. Any Member Line thereafter withdrawing or being expelled from membership will continue to be responsible for payment of the amount stated therein.

Full payment of a Member Line's Apportionment obligation is due by January 15 of a new fiscal year. Late payees will be charged a monthly penalty at one percentage point over the

existing prime rate. Any Member Lines who have not paid their Apportionment obligations in full by February 15 will be expelled automatically from membership and will not be included in any of the year's subsequent promotional materials or activities.

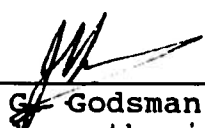
C. Current Annual Assessment Adjustments - At the close of each calendar year each Member Company will advise the Association of any changes during the year just ended in respect of the number of lower beds per ship, the number of annual operating days per ship, and the percentage of sales per ship actually made in North America, minimum 20% for all Member Lines joining CLIA after July 1, 1991 (versus the expected percentage). The Association will recalculate each Member Company's Current Annual Assessment and will apply a credit or debit, as appropriate, to the Current Annual Assessments for the ensuing calendar year. The Current Annual Assessment of an applicant cruise company will not be adjusted during its first partial year of Membership.

SIGNATURE PAGE

IN WITNESS WHEREOF, the below listed parties, constituting the Member Lines of the Cruise Lines International Association ("CLIA"), have caused this modification to 1st Revised Page Nos. 11, A-1, A-4, B-1, B-6, and B-7 and Original Page No. B-6a of FMC Agreement No. 003-010071 to be executed on their behalf by their authorized representative, James G. Godsman, President of CLIA, this 21st day of April, 1993. The modifications amend that Agreement and Appendix A and Appendix B of the Agreement with respect to administrative matters duly approved by the CLIA Member Lines.

American Hawaii Cruises
Carnival Cruise Lines
Chandris Cruise Companies
Club Med Sales, Inc.
Commodore Cruise Line, Ltd.
Costa Cruise Line
Crown Cruise Line
Crystal Cruises
Cunard Line, Ltd.
Delta Queen Steamboat Co.
Diamond Cruise
Dolphin Cruise Line
Epirotiki Lines, Inc.
Holland America Line
Majesty Cruise Line
Norwegian Cruise Line
Oceanic Cruises
Paquet Cruises
Premier Cruise Lines
Princess Cruises
Regency Cruises
Renaissance Cruises, Inc.
Royal Caribbean Cruise Line, Inc.
Royal Cruise Line
Royal Viking Line

Seabourn Cruise Line
Seawind Cruise Line
Seven Seas Cruise Line, Ltd.
Sun Line Cruises
Windstar Sail Cruises
World Explorer Cruises



James G. Godsmann, President of CLIA
and duly authorized representative
of the CLIA Member Lines